

CITY COUNCIL AGENDA ITEM COVER MEMO

FOR AGENDA OF COUNCIL MEETING/WORK SESSION - DATE : May 24, 2012

ACTION REQUESTED BY: Huntsville Utilities

COUNCILMEMBER: **DISTRICT:**

SUBJECT MATTER : Water Project

EXACT WORDING FOR AGENDA: Resolution authorizing installation of variable frequency drive units on pump equipment at the water treatment plants for energy conservation & execution of loan/grant application from the State of Alabama by Huntsville Utilities CFO for financing of the project (Utilities: Water)

ORDINANCE: **RESOLUTION:** X **MOTION:**

(IF AMENDMENT, STATE TITLE AND NUMBER OF ORIGINAL): N/A

ITEM IS TO BE CONSIDERED FOR:

INTRODUCTION: **ACTION:** X **DISCUSSION:**

UNANIMOUS CONSENT REQUIRED? No

BRIEFLY STATE WHY THE ACTION IS REQUESTED; WHY IT IS RECOMMENDED OR NOT RECOMMENDED; WHAT COUNCIL ACTION WILL PROVIDE, ALLOW, OR ACCOMPLISH; ANY ASSOCIATED COST; BUDGETED (?); AND ANY OTHER INFORMATION THAT YOU THINK MIGHT BE HELPFUL. Approval of this item provides for authorizing Huntsville Utilities Chief Financial Officer to execute an application for securing a loan/grant from the State of Alabama ADEM State Revolving Fund 50/50 for the cost of installing variable frequency drive units on pump equipment at the water treatment plants for energy conservation. The total estimated cost of the project is \$360,000.00 with \$180,000.00 in grant funding from ADEM and a loan of approximately \$180,000.00 provided by ADEM State Revolving Fund. **(Project No. S1W-SRFLOANGRA)**

MAYOR RECOMMENDS OR CONCURS? YES _____ NO _____ N/A _____

SIGNATURE: William C. Pippin, President & CEO

DATE: April 30, 2012

RESOLUTION 12- _____

WHEREAS, the City of Huntsville Waterworks Utility Board has approved Project No. S1W-SRFLOANGRA - ADEM State Revolving Fund 50/50 Grant/Loan for Variable Frequency Drive Unit Installations, which provides for funds through a loan and grant for the installation of variable frequency drive units on pump equipment at the South Parkway and Lincoln Dallas Water Treatment Plants for energy conservation, all to be installed at a total estimated cost of \$360,000.00; and

WHEREAS, the estimated cost of said installation is in excess of \$25,000.00 and requires the consent and approval of the City Council of the City of Huntsville, Alabama;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama that the City of Huntsville Waterworks Utility Board be and is hereby authorized to execute for and on behalf of the City of Huntsville Waterworks Utility Board, by and through Theodore D. Phillips, Chief Executive Officer, any and all applications for the securing of a loan/grant from the State of Alabama ADEM State Revolving Fund 50/50 grant/loan for funds to be utilized for the cost of installing variable frequency drive units on pump equipment at the South Parkway and Lincoln Dallas Water Treatment Plants for energy conservation; all to be installed at an estimated cost of approximately \$360,000.00, with \$180,000.00 in grant funding from ADEM and a loan of approximately \$180,000.00 provided by ADEM State Revolving Fund, and the same is hereby approved, and the written consent of the City Council of the City of Huntsville, Alabama is hereby given to the City of Huntsville Waterworks Utility Board for authority to enter into the lan/grant agreement and for expenditure of sufficient funds belonging to the City of Huntsville Waterworks Distribution System.

ADOPTED this the _____ day of _____, 2012.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the _____ day of _____, 2012.

Mayor of the City of Huntsville,
Alabama



HUNTSVILLE UTILITIES

Electricity - Natural Gas - Water

(256) 535-1200

www.hsvutil.org

P.O. Box 2048
Huntsville, AL 35804

REQUEST FOR APPROVAL PROJECT NO.S1W-SRFLOANGRA

This project is for application of a Drinking Water State Revolving Fund (DWSRF) 50/50 grant/loan from Alabama Department of Environmental Management (ADEM). Huntsville Utilities (HU) Water Department has been pre-approved by ADEM for the funding in the total amount of approximately \$360,000 with the loan value of approximately \$180,000. This project includes installation of variable frequency drive units on pump equipment at the South Parkway and Lincoln Dallas Water Treatment Plants for energy conservation. The proposed funds are for equipment purchase only, with installation performed by HU Water Department crews.

Total Estimated Project Cost: \$360,000.00

Total Estimated Grant Amount: \$180,000.00

Total Estimated Loan Amount: \$180,000.00

This is not a budgeted item.